(b) receiving an upper limit bid for the product from the buyer;

(c) comparing the seller lower limit price and the buyer upper limit bid; and

(d) if an overlap region exists between the seller lower limit price and the buyer

upper limit bid, setting a price point for the product within the overlap region that is

based on the lower limit price and the upper limit bid and completing the transaction.

## REMARKS

Claims 1-23 and 25 are present in this application. By this Amendment, the

specification and claims 1, 19 and 20 have been amended, claim 24 has been canceled,

and claim 25 has been added. Reconsideration in view of the above amendments and the

following remarks is respectfully requested.

Claims 1-10 and 12-24 were rejected under 35 U.S.C. §102(e) or, in the

alternative, under 35 U.S.C. §103(a) over U.S. Patent No. 6,415,270 to Rackson et al.

This rejection is respectfully traversed.

The Office Action contends that Rackson discloses the subject matter wherein if

an overlap region exists between a seller lower limit price and a buyer upper limit bid, a

price point is set for the product within the overlap region. In particular, the Office

Action refers to "matching" with reference to column 11, lines 5-32 and column 25, lines

3-55. The first reference in Rackson merely describes an example when a seller is selling

multiple items where a combination of bidders from remote auction services can be

combined to meet the aggregate reserve proceeds established by the seller. The section in

column 25 merely describes a multi-auction service. Neither section even remotely

describes an instance where a price point is set for the product within an overlap region

between a seller-designated lower limit price and a buyer-designated upper limit bid. In fact, the Office Action provides no discussion of this feature of the invention beyond the mere reference to the unrelated sections in Rackson. As a consequence, it is difficult for the Applicant to address any specific apparent misunderstanding of the invention or the Rackson disclosure. Nonetheless, after a review of the Rackson patent, it is clear that the only significant similarities with the present invention are the broad references to an auction that may be conducted over the internet. The present invention, however, encompasses substantially more than a mere auction, as described in the specification and set forth in the claims, and Applicant respectfully submits that the rejection is misplaced.

Independent claims 1, 19 and 20 recite that the price point for the product within the overlap region is set based on the lower limit price and the upper limit bid. Thus, as described in the present specification, the system utilizes the lower limit price and the upper limit bid to determine the price point for the product. As set forth in claim 2, for example, this setting step may be practiced by setting the price point for the product at a midpoint of the overlap region. In no instance does Rackson even remotely disclose or suggest this important feature of the present invention. That is, nowhere does Rackson teach or suggest the setting of a price point in an overlap region between a seller lower limit price and a buyer upper limit bid that is based on the lower limit price and the upper limit bid. At best, Rackson discloses an embodiment in a Dutch auction where a bidder may actually be awarded a price lower than the bid price, but such price is determined based on other bids. For example, Rackson discloses the manner of determining such prices at column 20, line 64 - column 21, line 49.

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Since at least this subject matter is lacking in the Rackson patent and Rackson in fact lacks any suggestion of modifying its system to incorporate such subject matter, Applicant respectfully submits that the rejection is misplaced. With respect to the dependent claims, Applicant submits that these claims are allowable at least by virtue of their dependency on an allowable independent claim. Moreover, claim 2, for example, recites that the price point is set at a midpoint between the overlapping seller lower limit price and the buyer upper limit bid. The Office Action simply refers to column 11, lines 5-24 in Rackson but without discussion. This feature of the invention is nowhere disclosed or even remotely suggested in the referenced section or anywhere in the Rackson patent. With respect to dependent claims 8 and 9, for example, the Office Action merely refers to Rackson at column 11, lines 5-32 again without any discussion. Rackson, however, lacks any teaching or suggestion of setting a theoretical price point when an overlap region does not exist between the seller lower limit price and the buyer upper limit bid. Rather, as in a conventional scenario, Rackson would disallow a bid below the seller's reserve price unless it could somehow be combined with other bids so that the reserve price is met through a lot of goods. This methodology is wholly unrelated to setting a theoretical price point as claimed. Other features of the dependent claims are also lacking in Rackson and are not addressed in the Office Action.

Reconsideration and withdrawal of the rejection are thus respectfully requested.

Claim 25 has been added.

In view of the foregoing amendments and remarks, Applicant respectfully submits that the claims are patentable over the art of record and that the application is in condition

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for allowance. Should the Examiner believe that anything further is desirable in order to

place the application in condition for allowance, the Examiner is invited to contact

Applicant's undersigned attorney at the telephone number listed below.

Prompt passage to issuance is earnestly solicited.

Attached hereto is a marked-up version of the changes made to the specification

and claims by the current amendment. The attached pages are captioned **Version With**

**Markings To Show Changes Made.**"

Respectfully submitted,

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## VERSION WITH MARKINGS TO SHOW CHANGES MADE

## IN THE SPECIFICATION

The paragraph beginning at page 8, paragraph [0030]:

**[0030]**     The computer system 201 may also include a modem [254] <u>237</u> or other means for establishing communications over the wide area network [252] <u>239</u>, such as the Internet.  The modem [254] <u>237</u>, which may be internal or external, is connected to the system bus 207 via the serial port interface 231.  A network interface [256] <u>241</u> may also be provided for allowing the computer system 201 to communicate with a remote computing device 250 via a local area network 258 (or such communication may be via the wide area network [252] <u>239</u> or other communications path such as dial-up or other communications means).  The computer system 201 will typically include other peripheral output devices, such as printers and other standard peripheral devices.

## IN THE CLAIMS

1.  (Amended)  A method of conducting a transaction between a buyer and a seller over a global network, the method comprising:

(a)  receiving a lower limit price for a product from the seller;

(b)  receiving an upper limit bid for the product from the buyer;

(c)  comparing the seller lower limit price and the buyer upper limit bid; and

(d)  if an overlap region exists between the seller lower limit price and the buyer upper limit bid, setting a price point for the product within the overlap region <u>that is based on the lower limit price and the upper limit bid</u>.

19.  (Amended)  A computer system for conducting a transaction between a buyer and a seller, the computer system comprising:

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at least one user computer running a computer program that effects input

information relating to one of a lower limit price for a product from the seller or an upper

limit bid for the product from the buyer; and

a system server running a server program, the at least one user computer and the

system server being interconnected by a computer network, the system server receiving

the input information and processing the input information with information from other

user computers by comparing the seller lower limit price and the buyer upper limit bid,

wherein if an overlap region exists between the seller lower limit price and the buyer

upper limit bid, the server setting a price point for the product within the overlap region

that is based on the lower limit price and the upper limit bid.

20. (Amended) A computer program embodied on a computer-readable medium

for conducting a transaction between a buyer and a seller, the computer program

comprising:

means for receiving a lower limit price for a product from the seller;

means for receiving an upper limit bid for the product from the buyer; and

means for comparing the seller lower limit price and the buyer upper limit bid,

wherein if an overlap region exists between the seller lower limit price and the buyer

upper limit bid, the comparing means comprises means for setting a price point for the

product within the overlap region that is based on the lower limit price and the upper

limit bid.

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